



## MEDI-CAL PROGRAM HIGHLIGHTS CALENDAR YEAR 1998

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Internet Homepage - <http://www.dhs.ca.gov/mcss>

### THE MEDI-CAL PROGRAM

#### A BRIEF SUMMARY OF MAJOR EVENTS

#### INTRODUCTION

The California Medical Assistance Program (Medi-Cal) was established pursuant to Chapter 4, Statutes of 1965, by the Second Extraordinary Session of the California Legislature. The program was enacted to take advantage of federal funds made available by the 1965 Title XIX amendments to the Social Security Act. The stated purpose was to provide "basic and extended health care and related remedial or preventive services to recipients of public assistance and to medically needy aged and other persons, including such related social services as are necessary".

A further intent of the program was that the medical care should be mainstream. Mainstream was defined as comparable to care purchased out of pocket or through private insurance. Prior to Medi-Cal, many public assistance and medically needy persons were forced to rely on charitable institutions, especially county hospitals. These hospitals were generally prohibited by law from accepting paying patients.

The new program also required certain basic services be made available to all beneficiaries. Under the medical programs replaced by Medi-Cal, it was possible to deny medical services to adults in aid to needy children cases, but provide them to other adult beneficiaries.

The new federal law required the State to work towards general improvement in the amount and quality of medical care provided to beneficiaries, improvements in medical social services, and improvements in the organization and delivery of medical care to eligible beneficiaries.

This report is the latest in a report series that tracks key events in the evolution of the Medi-Cal Program. This annual update covers events that affected Medi-Cal in Calendar Year 1998 only. Copies of prior years reports are available upon request.

Please direct inquiries related to data in this report to [Mary Cline](#) at (916) 657-2794.

## **HIGHLIGHTS OF 1998 PROGRAM CHANGES**

The following discusses the major changes in Medi-Cal and related programs during Calendar Year 1998.

### **Statewide Outreach and Education Campaign, February 1998**

The Department of Health Services launched a statewide outreach and education campaign to help families learn about and apply for new health programs for children.

### **Expansion of Children's Programs, March 1998**

Pursuant to state law (SB 903 and AB 217), effective March 1, 1998, Medi-Cal made two changes to the Percent Programs. First, Medi-Cal began disregarding resources of children in the Percent Programs. Second, Medi-Cal adopted the new federal option to allow children up to 19 to be covered immediately under the 100 Percent Program without having to wait for the mandatory phase in period to expire. (That provision required that children had to be born after September 30, 1983 to be covered).

### **Napa County, March 1998**

Napa County became a county organized health system (COHS) in March 1998, and the Solano COHS processes their claims.

### **New Drug Added to the Contract List of Drugs, June 1998**

Coreg was added effective June 1, 1998. Coreg is a new drug for the treatment of heart failure.

### **Healthy Families Program, July 1, 1998**

The Healthy Families Program was implemented with the passage of Assembly Bills 217, 1126, 1572 and Senate Bill 903. A joint mail-in application for pregnant women and children was made available through select community-based programs, county welfare departments and the Healthy Families program enrollment contractor.

### **EPSDT In-Home Nursing Rates, July 1998**

Legislative action required the Department, beginning July 1, 1998 to increase the EPSDT In-Home Nursing Services reimbursement rates. These services are provided by in-home nursing providers.

### **Rezulin (Troglitazone) Added to List of Contract Drugs, July 1998**

Rezulin was a new drug added for the treatment of diabetes.

## **HIGHLIGHTS OF 1999 PROGRAM CHANGES, (Continued)**

### Geographic Managed Care San Diego, August 1998

Geographic Managed Care (GMC) in San Diego, was implemented August 1, 1998.

### LTC Rate Adjustments, August 1998

The provider rates for nursing facilities, intermediate care facilities, and managed care systems were increased August 1, 1998.

### Provider Rate Increases, August 1998

The Budget Act of 1998-99 implemented five provider rate increases beginning August 1, 1998. The rate increases were for physician visit rate equalization; primary care/preventive medicine to children; primary care/preventive medicine to adults; ambulance services; and hospital outpatient.

### EPSDT Screening/Immunizations Increase, August 1998

The Budget Act of 1998-99 implemented a provider rate increase for EPSDT services which are provided in a physician's office to children under the age of 21 years. These services include screens for disease or abnormalities and immunizations. This increase was implemented on August 1, 1998.

### Second Year Transitional, October 1998

The 1998 Budget Act and AB 2780, a trailer bill to the Budget Act, establish and fund a state only program to provide a 2nd year of Transitional Program benefits to adults discontinued from CalWORKs or 1931(b) due to increased earnings for increased hours of employment.

### Antihistamine Therapeutic Category Review, November 1998

Pursuant to W&I Code Section 14105.33, the Department conducted a drug Therapeutic Category Review (TCR) to ensure adequate representation of single-source drugs on the Medi-Cal List of Contract Drugs. Based on the Therapeutic Category Review (TCR), additional drugs were added.

## NOTE

The Immigration Reform and Control Act (IRCA) Alien Program (Aid Codes 51, 52, 56, and 57) expired December 31, 1994.

The term AHealth Care Plan≡ (HCP) is now used in place of Prepaid Health Plan (PHP), and includes the managed care models GMC, PHP and Two-Plan Model.

## **HIGHLIGHTS OF 1999 PROGRAM CHANGES, (Continued)**

For additional information on Managed Care, please refer to our new report entitled "1998 Managed Care Annual Statistical Report" available on the Internet.

Internet Home Page for Medical Care Statistics: <http://www.dhs.ca.gov/mcss>